

FISCAL NOTE

Bill #: SB0002

Title: Consumer no call listing for telemarketing

Primary Sponsor: Ryan, D

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
State Special Revenue	\$76,109	\$112,350
Revenue:		
State Special Revenue	\$270,000	\$270,000
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input checked="" type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. The fee will be set at \$5 to sign on to the do-not-call list and the number of people wishing to join the list will be 50,000, generating revenue of \$250,000.
2. The fee for telemarketers to acquire the list will be \$500. There will be 40+ telemarketers required to obtain the list and who will continue to want to do business in Montana. This will generate an additional \$20,000 of revenue.
3. The bid to maintain the do-not call list will cost at a minimum \$50,000 per year. This amount is included in operating expenditures.
4. Additional operating expenses of \$10,000 each year are included to cover rent, phone, temporary services to staff phones for the additional questions that will be generated, training, and related costs.
5. Consumers having paid directly for the do-not-call service will expect increased enforcement.
6. The Department of Administration will be able to utilize a portion of its current consumer protection personnel to handle some of the increased caseload.
7. The Department of Administration will require at least one additional attorney, grade 18, to handle the increased caseload, once the list is up and running. The attorney will be hired the last quarter of FY 2004.
8. At that level of staffing, the department will be able to handle major cases (20 complaints on a business) only.

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9. The fees collected by the administrator of the do-not-call list will be deposited to a state special revenue fund.
10. The cost of implementing and enforcing this legislation will be funded by this state special revenue account.
11. The Federal Trade Commissions Telemarketing Sales Rules will not preempt the list.
12. The Federal courts will not find that the list interferes with interstate trade.
13. For every additional 50,000 people who join, both the expenses and revenues would double.

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
FTE	1.00	1.00
<u>Expenditures:</u>		
Personal Services	\$13,088	\$52,350
Operating Expenses	60,000	60,000
Equipment	<u>3,021</u>	
TOTAL	\$76,109	<u>\$112,350</u>
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$76,109	\$112,350
<u>Revenues:</u>		
State Special Revenue (02)	\$270,000	\$270,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$193,891	\$157,650
General Fund (01)	\$0	\$0

TECHNICAL NOTES:

1. The federal National Do-Not-Call list may provide more affordable alternatives to maintaining the list than were available at the time the bill was drafted.
2. There exist some alternatives to administering this activity. One alternative may be to contract with Montana Interactive. They may administer the contract at no expense, but they would generate and keep all revenues.
3. Section 6, part 4 of the bill instructs that this activity is funded through a state special revenue account. If the bill was changed to read general fund instead of state special revenue, there would be a positive impact to the general fund by the same amount listed above for net impact to fund balance to the state special revenue account.